

Agency 240

Department of Licensing

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2009-11 Expenditure Authority	1,355.1	2,960	290,495	293,455
Total Maintenance Level	1,355.1	2,846	297,470	300,316
Difference		(114)	6,975	6,861
Percent Change from Current Biennium	0.0%	(3.9)%	2.4%	2.3%
Performance Changes				
Administrative Efficiencies			(3,000)	(3,000)
Vehicle Paper Renewal Notice Fee*			(2,625)	(2,625)
Reduce Firearms Program Staffing	(3.0)	(296)		(296)
Collection Agency Fee Increase	1.0		181	181
Commercial Drivers License Medical Certificates	4.3		1,019	1,019
Commercial Drivers License System	1.5		1,034	1,034
Authority to Spend Federal Grants			2,464	2,464
Fund Transfer from Washington State Patrol Highway Account				
Online Fuel Tax Collection System	2.0		7,414	7,414
Suspend Plan 1 Uniform COLA #		(24)	(2,773)	(2,797)
State Data Center Rate Increase		70	1,140	1,210
Subtotal	5.8	(250)	4,854	4,604
Total Proposed Budget	1,360.9	2,596	302,324	304,920
Difference	5.8	(364)	11,829	11,465
Percent Change from Current Biennium	0.4%	(12.3)%	4.1%	3.9%
Total Proposed Budget by Activity				
Providing License Integrity and Protection From Identity Theft	9.3		2,394	2,394
Providing Strategic Direction through Executive and Technology Administration	9.5	327	2,948	3,275
Driver License Suspensions and Reinstatements, and Maintenance of Driver Records	125.1	12	25,335	25,347
Licensing Citizens to Operate Motor Vehicles	516.3		106,898	106,898
Providing Due Process for Drivers	82.3		12,616	12,616
Regulate Driver Training Schools and Motorcycle Safety Education	9.2		7,017	7,017
Firearms Records Clearinghouse	9.7	639		639
Centralization of License Requirements For Businesses	62.5		15,382	15,382
Administration of Fuel Tax Collection and Motor Carrier Services	102.5		30,515	30,515
Professional Licensing and Regulation	179.6	181	33,771	33,952
Uniform Commercial Code Program	12.0		3,022	3,022

TRANSPORTATION

	Annual FTEs	General Fund State	Other Funds	Total Funds
Administration of Regulatory Functions Involving Vehicle and Vessel Dealers and Manufacturers	43.7	125	10,286	10,411
Administration of Vehicle and Vessel Title and Registration Services	199.5	1,312	52,140	53,452
Total Proposed Budget	1,360.9	2,596	302,324	304,920

PERFORMANCE LEVEL CHANGE DESCRIPTIONS

Administrative Efficiencies

Administrative efficiencies will be implemented that include leaving positions vacant, purchasing less equipment, and cutting costs in other ways that do not impact customer service. (Motor Vehicle Account-State)

Vehicle Paper Renewal Notice Fee*

To further paperless government, the Department will increase the use of electronic vehicle renewals. Customers will be asked for their e-mail addresses for electronic notices. Drivers choosing to continue receiving a paper notice will be charged a \$5 fee. Revenue from the fee is estimated to be \$3,295,000 in the first year and \$6,729,065 in the second. The net of less postage and paper mailing costs and increased credit card fees will result in lower program expenditures. (Motor Vehicle Account-State)

Reduce Firearms Program Staffing

The Firearms program will eliminate three FTE staff years.

Collection Agency Fee Increase

Funding is provided for one additional FTE staff to manage the increased workload of the Collection Agency program. A fee increase is authorized to pay for this position. The Office of the Attorney General reports that complaints against debt collectors were the number one complaint reported in 2009. The additional position will reduce the backlog and conduct educational outreach to increase compliance. (Business and Professions Account-State)

Commercial Drivers License Medical Certificates

Federal expenditure authority is provided to allow the Department to spend funds from a federal grant application submitted in November 2010 to implement new Federal Motor Carrier Safety Administration rules. The new rules require interstate Commercial Drivers License holders to meet the physical qualification requirements outlined in federal regulation, and to provide a current copy of their medical certificate to the Department. The Department must record the certification information on the driver's record. (Highway Safety Account-Federal)

Commercial Drivers License System

Federal expenditure authority is provided to allow the department to spend funds from a federal grant application submitted in November 2010 to change Commercial Drivers License information systems to implement new Federal Motor Carrier Safety Administration rules by January 2012. (Highway Safety Account-Federal)

Authority to Spend Federal Grants

Federal expenditure authority is provided to allow the Department to spend funds from a federal grant application submitted in November 2010 to implement new federal commercial driver licensing requirements and to complete scanning and imaging capability in licensing service offices. (Highway Safety Account-Federal)

Fund Transfer from Washington State Patrol Highway Account

Funding is transferred from the Washington State Patrol Highway Account to the Department of Licensing to reflect changes made to commercial vehicle safety laws. The transferred funds are for systems maintained by the Department of Licensing that monitor compliance. (WSP Highway Account-State, Highway Safety Fund-State).

Online Fuel Tax Collection System

Funding is provided to put the Department's Prorate and Fuel Tax processing systems online. The department administers interstate trucking licensing and collects fuel tax revenue of over \$1.2 billion a year. The current system requires labor-intensive manual processes, and results in an estimated loss of revenue of three to six million dollars a year. In addition to increased revenue, a new system will provide customer benefits such as electronic filing and improved quality and availability of information. (Motor Vehicle Fund-State)

ACTIVITY DESCRIPTIONS

Providing License Integrity and Protection From Identity Theft

This activity supports the safety of people and property and the economic vitality of businesses and individuals by investigating fraudulent activity. It provides public outreach, education, and assistance in partnership with the Washington State Patrol, Attorney General's Office, Federal Trade Commission, and government agencies to reduce suspected identity theft, fraud and other criminal activity. More than 70 percent of the 2,000 annual fraud allegations received by this activity are associated with crime-related activities, such as methamphetamines, check washing, credit card and check theft, loan frauds, and customer impersonation schemes. The average impact to victims of these criminal actions is over \$5,000 per incident.

Providing Strategic Direction through Executive and Technology Administration

This activity provides leadership and administration of daily functions for an agency with 1,224 employees. It focuses on strategic direction and oversight, human resources, employee development and training, performance management, public affairs, administrative services, information technology, internal audit, and budget development and monitoring. This activity partners with the courts, law enforcement, and other state and federal transportation agencies, and also serves as liaison to the Legislature, the Governor's Office, state agencies, the media, and stakeholders.

Driver License Suspensions and Reinstatements, and Maintenance of Driver Records

This activity maintains on-line driver records that provide vital information on the license history and status of Washington drivers. These records are relied upon by the Department, law enforcement, and the courts to ensure the safety of people and property. Other entities, such as the Department of Social and Health Services' Division of Child Support and insurance companies, require timely and accurate driver licenses or identification cards. Driving records are updated with actions ranging from Failure to Appear (in court) to Driving Under the Influence (DUI). In addition, this activity verifies the financial responsibility of drivers and ensures that drivers are legally operating vehicles by suspending and reinstating the driving privilege, through either administrative action or upon order of the court.

Licensing Citizens to Operate Motor Vehicles

This activity ensures the physical capability and driving skills of millions of licensed drivers of cars, trucks, and motorcycles in Washington. The Department of Licensing (DOL) ensures that drivers have the physical capability, knowledge, and skills to operate a motor vehicle safely. Special examinations and re-examinations are conducted for persons who fail to meet requirements for full driving privileges. Complying with federal Homeland Security directives, this activity administers the licensing requirements of 192,000 commercial vehicle drivers operating trucks and trailers, tankers, commercial and school buses, and 44,000 vehicle operators who transport hazardous materials. This activity also registers citizens for the Organ Donor program, and in partnership with the Secretary of State, collects 81,000 voter registrations.

TRANSPORTATION

Providing Due Process for Drivers

In an effort to reduce preventable loss of life, injury or property due to accidents, this activity provides due process prior to the suspension of a citizen's driving privilege. Twenty-five hearing officers annually conduct: 16,500 driving under the influence (DUI) hearings which must be processed within 60 days; 1,200 hearings for habitual offenders who have accumulated multiple moving violations leading to increased civil penalties; 550 financial responsibility hearings for accidents without required insurance coverage; hearings to restrict the driving privileges of 170 drivers for medical reasons that impair their ability to safely operate a motor vehicle; and 60 fraud hearings.

Regulate Driver Training Schools and Motorcycle Safety Education

This activity certifies, licenses and monitors the performance and compliance of instructors and operators of Driving Training School (DTS) and Motorcycle Safety Education (MSE) training courses. Successful administration of these training courses ensures that curriculum requirements are met to assist new drivers and motorcyclists to safely and properly operate their vehicles. Partnerships with the Washington Traffic Safety Commission, Driver Training School Advisory Board, and Motorcycle Safety Advisory Board assist in the administration of this activity.

Firearms Records Clearinghouse

Law enforcement agencies are required to complete background checks and either approve or deny various firearms licenses. As the clearinghouse for firearms records, the DOL Firearms program provides law enforcement with information on firearms licenses to ensure that only eligible individuals can obtain licenses and purchase handguns. The program is also used to investigate criminal activity and to arrest and prosecute individuals who violate firearm laws. Annually, DOL processes over 65,000 concealed pistol licenses, 50,000 handgun transfers, approximately 200 alien firearm licenses, and 600 firearm dealer licenses. In addition, DOL processes over 35,000 court conviction notices each year where an individual's firearm possession rights have been removed, and verifies concealed pistol license and firearm possession with law enforcement. DOL provides firearm dealers with forms and information on procedures for transferring handgun ownership. The Department also acts as a resource to law enforcement by providing direction and training on the firearm laws and proper licensing procedures.

Centralization of License Requirements For Businesses

The Master License Service program (MLS) simplifies the licensing process for businesses by collecting license application information for ten state agencies and four cities on a single form. The data and fees collected are then distributed to the appropriate agencies for licensing approval. Each year, MLS processes over 100,000 business license and registration applications on behalf of licensing and regulatory agencies. MLS collects and distributes close to \$30 million each year in licensing fees to our MLS partner agencies. MLS provides a single point of contact for information on all state licensing and regulatory requirements, as well as some local and federal information. MLS also processes the renewals for many state regulatory licenses and corporate and limited liability company licenses. MLS, in collaboration with the Secretary of State, provides a simple and quick registration renewal process for corporations and trade names.

Administration of Fuel Tax Collection and Motor Carrier Services

This activity administers state motor vehicle fuel, special fuel, and aircraft fuel tax collection programs for the licensing fuel suppliers, exporters, importers, blenders, and distributors. This activity processes efficient fuel tax returns and associated payments; provides taxpayer education and training; and conducts audit and compliance investigations that reduce fuel tax evasion. It collects motor vehicle and special fuel taxes at the terminal rack and administers a dyed special fuel program for fuel used off-highway that is not subject to the state tax. DOL partners with tribal governments, providing revenue to the tribes through fuel tax refunds. The activity receives federal funds to implement cost-saving programs, including the Commercial Vehicle Information System and Network (CVISN) program (which enables trucks to electronically transmit information without stopping at ports of entry and weigh stations) and the Performance Registration Information Systems Management (PRISM) program (which ensures that interstate trucks meet current safety standards). This activity also enables Washington-based interstate carriers to apply for and receive their international registration plan (IRP) operating credentials and file their international fuel tax agreement (IFTA) fuel tax returns via the Internet.

Professional Licensing and Regulation

There are approximately 225,000 individuals and businesses licensed to practice in 27 professions regulated by the Business and Professions Division. (RCW 18.118.010 (1)) DOL evaluates license applications, develops and administers valid professional licensing exams, and administers programs of continuing education, licensing renewals, and technical assistance. Through its regulatory, audit, investigation, and enforcement activities, DOL protects consumers from fraud, malpractice, negligence, deceptive advertising, and other potential violations associated with the delivery of services. Enforcement includes revoking or suspending a license, restricting or monitoring the licensee's practice, imposing monetary fines, or requiring completion of a remedial education program. DOL conducts approximately 6,150 audits or inspections each year to ensure compliance with regulations. Its online registry of licensed professionals alerts consumers to licensees who have been subject to disciplinary actions for unprofessional conduct. The 27 regulated professions include: appraisers, architects, auctioneers, bail bond agents, on-site wastewater inspectors and designers, cemeteries, collection agencies, commercial telephone solicitors, cosmetology, court reporters, employment agencies, engineers, funeral homes, geologists, land surveyors, landscape architects, limousine carriers, notaries, camping resorts, private investigators, professional athletics, real estate, security guards, sellers of travel, timeshare companies, vehicles for hire (taxi), and whitewater river outfitters.

Uniform Commercial Code Program

In accordance with RCW 62A.9A, the Uniform Commercial Code (UCC) program maintains the central repository of liens on personal property of residents and businesses in Washington and conducts certified searches of its records for the public. The UCC program's central repository is a key part of the larger Uniform Commercial Code system and laws. By filing a financing statement with the UCC program, the secured party (creditor) establishes its priority against the collateral, in case of default by the debtor.

Administration of Regulatory Functions Involving Vehicle and Vessel Dealers and Manufacturers

This activity ensures protection for vehicle and vessel dealers, manufacturers, and individuals through the administration and enforcement of laws that license and regulate approximately 6,900 vehicle manufacturers and dealers of motor vehicles, motorcycles, snowmobiles, off-road vehicles, motor homes, travel trailers, manufactured homes, and vessels. This activity also includes the administration of the licensing of wreckers, tow truck operators, hulk haulers, scrap processors, and motor vehicle transporters operating or doing business in Washington State.

Administration of Vehicle and Vessel Title and Registration Services

This activity collects and administers vehicle and vessel fees and taxes to support state and local transportation projects, law enforcement, and the Washington State Patrol. It records ownership interest and issues a secure, negotiable title for some of our citizens' and businesses' most valuable assets, and indicates legal ownership of the vehicle or vessel to prospective buyers and lending institutions. This activity partners with community groups, state and local agencies, counties, and cities to efficiently collect vehicle and vessel-based fees.

TRANSPORTATION